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 TAGS: PREL, US, XF
 SUBJECT: EXCERPTS FROM ASST. SEC. MURPHY'S JULY 25
 APPEARANCE BEFORE HAMILTON SUBCOMMITTEE

FOLLOWING ARE EXCERPTS FROM THE QUESTION AND ANSWER
 PORTION OF ASSISTANT SECRETARY MURPHY'S HEARING BEFORE
 THE HAMILTON SUBCOMMITTEE OF THE HOUSE FOREIGN AFFAIRS
 COMMITTEE, JULY 25, 1984:

(QUESTIONS RELATING TO SYRIA'S ROLE IN LEBANON)

Q: ONE OF THE THINGS THAT SURPRISED ME ABOUT YOUR
 STATEMENT IS THAT SYRIA, WHICH HAD BEEN DESCRIBED AS THE
 TROUBLEMAKER IN THE REGION, IS NOW DESCRIBED AS ONE OF
 THE HELPFUL PARTNERS IN THESE RECENT DEVELOPMENTS.

A: TIMES CHANGE.

Q: MAYBE YOU COULD EXPLAIN TO ME IF IT IS SOMETHING
 OTHER THAN JUST THE PASSAGE OF TIME AND TIMES CHANGING.
 IS THERE SOME MOTIVATION, IS THERE SOME ULTERIOR MOTIVE
 WITH SYRIA THAT HAS CAUSED THEM TO CHANGE THEIR APPROACH?

A: I THINK THAT THAT THEY HAVE COME TO A POLICY DECISION
 THAT A STABLE LEBANON, AND A STABLE BEIRUT IN THE VERY
 FIRST INSTANCE, IS THE BASIS TO WORK FOR GREATER
 STABILITY IN THE REGION. SOMETHING UNDER THEIR DIRECT
 INFLUENCE. HOW, WHY HAVE THEY CHANGED, HOW QUICKLY HAVE
 THEY CHANGED... PERHAPS IT WAS WHAT THE CHAIRMAN
 REFERRED TO, THE NEED TO HAVE SYRIA INVOLVED IN THE PEACE
 PROCESS AND THEY FELT THEY WEREN'T BEING INVOLVED. I AM -
 SPECULATING BECAUSE READING SYRIAN POLITICS IS THROUGH A
 DARK GLASS.

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Q: MR. AMBASSADOR, I AM GLAD THAT MR. TSCHAU PICKED UP ON THAT BECAUSE I HAD THAT CIRCLED AS WELL. LET ME GET TO THAT FIRST. I AM A LITTLE BIT DISTRESSED OVER YOUR CHOICE OF THE WORD "HELPFUL". I SUPPOSED YOU ARE TAKING IT SOLELY OUTSIDE THE HISTORICAL CONTEXT OF THE LAST FEW YEARS AND DEALING WITH IT SOLEY ON THE BASIS OF WHAT HAS HAPPENED IN THE LAST MONTH OR TWO, I ASSUME.

A: THAT IS THE TIME FRAME, YES.

Q: STILL ALL AND ALL DON'T YOU IT TO BE RATHER DIFFICULT FOR US TO SWALLOW TO CALL THEM HELPFUL? FORGETTING ABOUT ALL THE DEVELOPMENTS IN THE PAST. WOULDN'T YOU SAY THAT IT WOULD HAVE BEEN MOST HELPFUL IF THEY WOULD GET OUT OF LEBANON TOTALLY?

A: THAT IS OUR POLICY.

Q: I SUPPOSE THAT HELP IS A RELATIVE KIND OF TERM. IF

SOMEBODY THROWS YOU DOWN A WELL A HUNDRED FEET YOU ARE NOT VERY HAPPY AND THEN WHEN THEY THROW YOU A BUCKET AND THEY HAUL YOU UP FIFTY FEET AND YOU CAN SEE THE LIGHT AT THE TOP OF THE WELL YOU FEEL A LOT BETTER AND YOU CALL THEM HELPFUL, BUT YOU NEVER WOULD HAVE BEEN DOWN THERE IN THE FIRST PLACE IF THEY HADN'T THROWN YOU DOWN THERE. I AM CURIOUS ABOUT WHAT WE ARE DOING TO PROMOTE ALL THIS WONDERFUL EUPHORIC HELP THAT THE SYRIANS, OUR GOOD FRIENDS, ARE NOW GIVING US?

A: I DON'T THINK WE ARE DOING ANYTHING, CONGRESSMAN, TO PROMOTE THAT. I THINK THEY HAVE FOUND IT IN THEIR INTEREST TO SHIFT COURSE.

Q: HOW LONG DO WE THINK THEY ARE GOING TO SUSTAIN THAT SHIFT IN COURSE? OR ARE WE JUST HOPING THAT THEY WILL DO IT OUT OF THE GOODNESS OF THEIR HEARTS FOR THE FORSEEABLE FUTURE.

A: OBVIOUSLY THEY ARE INTERESTED IN THE WITHDRAWAL OF ISRAELI FORCES FROM LEBANON AND THEY HAVE STATED TO REPEATED VISITORS THAT ONCE THAT HAS BEEN ACCOMPLISHED THEY WILL GET THEIR OWN FORCES OUT OF LEBANON, THAT THEY DON'T HAVE AN INTEREST IN KEEPING A SINGLE SYRIAN SOLDIER IN THE COUNTRY.

Q: PRIOR TO 1982 ISRAEL DIDN'T HAVE ANY FORCES IN LEBANON AND SYRIA REALLY HAD NO NEED, THERE WAS NO LONGER ANY PLO UPRISING, ETC., BUT THEY CHOSE NOT TO REMOVE THEIR FORCES OUT OF LEBANON. WHAT MAKES YOU BELIEVE NOW IN THE HISTORICAL PERSPECTIVE, WHICH I THINK SHEDS SOME LIGHT ON THIS ISSUE, THAT EVEN IF ISRAEL WOULD WITHDRAW THAT THE SYRIANS WOULD SEE FIT TO LEAVE? ON WHAT BASIS NOW, AS OPPOSED TO EIGHT YEARS THAT THEY DID NOT? BECAUSE THEY HAVE BEEN ASKED TO?

A: YES THEY HAVE BEEN ASKED TO.

Q: I KNOW THEY HAVE BEEN ASKED TO AND THEY HAVE FLATLY REFUSED ON ANY NUMBER OF OCCASIONS.

A: AGAIN I CAN'T GIVE YOU AN ASSURANCE THEY ARE GOING TO LEAVE BUT I THINK THAT CONDITIONS COULD COME ABOUT THAT THEY WOULD FIND IT IN THEIR INTEREST TO LEAVE BECAUSE OF THEIR RELATIONS WITH SOME OTHER MAJOR ARAB COUNTRIES THAT WOULD LIKE THEM TO GET OUT AND NOT PROVIDE AN EXCUSE FOR ISRAEL TO STAY. VARIOUS FORMULA HAVE BEEN BANDIED ABOUT, OF SYNCHONIZED WITHDRAWAL TO BEGIN IMMEDIATELY AFTER ISRAELI WITHDRAWAL, THAT SORT OF THING, 24 HOURS, 48

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HOURS...ALL SORTS OF IDEAS HAVE BEEN TALKED ABOUT OVER THE PAST COUPLE OF YEARS. BUT I THINK THAT SYRIA FELT BACK IN 75 THAT IT COULDN'T COPE WITH THE LEBANESE SCENE JUST POLITICALLY. IT HAD TRIED A YEAR OF DIPLOMACY AND THEN THEY MOVED IN 76, IF YOU RECALL, AT THE REQUEST OF THE THEN PRESIDENT OF LEBANON, AND I THINK THEY GOT STUCK IN LEBANON. WHILE THEY INTEND TO BE A MAJOR INFLUENCE IN LEBANON, WHICH THEY SEE AS THEIR HISTORIC RIGHT, I DON'T BELIEVE THEY SEE THAT REQUIRES THEIR KEEPING AN ARMY IN LEBANON.

Q: JUST ONE HISTORICAL POINT, I JUST READ AN INTERESTING BOOK AND ONE OF THE THINGS I RECALL NOW THAT I HADN'T REMEMBERED IN A NUMBER OF YEARS, IS THAT SYRIA DOESN'T HAVE MUCH OF A HISTORY. IT WAS CREATED AS A STATE AFTER THE FIRST WORLD WAR. THERE WAS A DIVVYING UP OF SOME OF THE TERRITORIES OF PART OF THE TURKISH EMPIRE. ONE OF THEM WAS SYRIA. DID THAT PART OF SYRIA INCLUDE LEBANON AT THAT TIME, OR WASN'T LEBANON A SEPARATE TERRITORY, ONE OF THOSE CEDED TO THE ARAB STATES AFTER THE FIRST WORLD WAR.

A: I THINK YOU HAD THE FIRST MOVE TOWARDS A SEPARATE TERRITORY UNDER THE OTTOMANS DURING THE NINETEENTH CENTURY. THEN WHEN THE MANDATES CAME THERE WAS A LINE ON THE MAP AND WHEN INDEPENDENCE WAS AGREED BY THE FRENCH IN THE LAST PART OF THE SECOND WAR THE LEADERS IN DAMASCUS AND BEIRUT AND THE LEADERS IN PARIS APPARENTLY CAME TO AN UNDERSTANDING THAT THERE WOULD BE AN INDEPENDENT LEBANON, BUT AS, AMONG OTHER THINGS, SYMBOLIC OF THE VERY GREAT CLOSENESS OF THE TWO TERRITORIES THERE WOULD BE NO SYRIAN AMBASSADOR IN BEIRUT AND NO LEBANESE (AMBASSADOR) IN DAMASCUS AND THAT LEBANON WOULD NEVER SERVE AS A CORRIDOR FOR A THREAT AGAINST SYRIA, THAT LANGUAGE THAT WE HEARD ABOUT LAST YEAR A GREAT DEAL.

Q: SO THE HISTORICAL FACT IN PERSPECTIVE IS THAT SYRIA NEVER TO ANY GREAT EXTENT HAD ANY CONTROL OR SWAY OVER LEBANON AND FRANKLY ITS HISTORICAL PERSPECTIVE OF BEING ABLE TO COME IN AND OUT OF LEBANON AND NOT EVEN HAVE A BORDER DRAWN ON ITS OWN MAPS IS REALLY NOT ACCURATE IN TERMS OF HISTORICAL HISTORY. IN TERMS OF RECENT 20TH CENTURY DEVELOPMENTS IN ANY EVENT.

A: WELL. HISTORY WAS A PATCHWORK QUILT OUT THERE WITH A NUMBER OF DIFFERENT LINES DRAWN AT DIFFERENT TIMES BY THE TURKS AND THEN DURING THE MANDATE PERIOD. IT WAS PART OF GREATER SYRIA AT ONE TIME IN HISTORY. BUT IF YOU EXAMINE LINES ON A MAP BEFORE THE FIRST WAR THERE ARE A LOT OF

NEW LINES THAT WERE DRAWN AT THAT POINT IN TIME.

(THE PEACE PROCESS)

Q: IS MUCH LIKELY HAPPEN THIS YEAR (ON THE PEACE PROCESS) UNTIL AFTER OUR ELECTIONS?

A: OUR ELECTIONS ARE OBVIOUSLY A MAJOR FACTOR IN THE CALCULATIONS OF THE PARTIES.

Q: YOU INDICATE THAT YOU STILL STAND BY THE REAGAN PEACE INITIATIVE OF SEPTEMBER 1982. HOW CAN THAT INITIATIVE HAVE ANY FUTURE IF THE ISRAELIS REJECT IT, JORDAN IS UNABLE TO ENTER ANY TALKS ON IT AND SYRIA'S LEFT OUT?

A: ON THE VARIOUS ELEMENTS OF YOUR QUESTION, THE GOVERNMENT OF PRIME MINISTER BEGIN DID REJECT THE PRESIDENT'S INITIATIVE. WE HOPE THAT ON LONGER

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REFLECTION THAT REJECTION WILL NOT STAND. IN TERMS OF JORDAN I THINK THE KING AND THE GOVERNMENT OF JORDAN REMAIN INTERESTED IN MOVING INTO THE PEACE PROCESS. IN TERMS OF OUR OWN SUPPORT FOR THE INITIATIVE, OBVIOUSLY THE AMOUNT OF ENERGY THAT WE PUT INTO THE PROCESS IS GOING TO EFFECT HOW IT MOVES AHEAD. SYRIA SHOULD DEFINITELY BE INVOLVED.

Q: WHAT IS OUR FOCUS FOR THE MOMENT ON THE PEACE TALKS? IS IT TRYING TO GET ISRAELI/JORDANIAN TALKS STARTED? ARE WE MAKING THAT KIND OF EFFORT OR AREN'T WE DOING MUCH OF ANYTHING AT THE PRESENT TIME.

A: THE NEXT STEP, AS WE HAVE VISUALIZED IT EVER SINCE THE EGYPTIAN/ISRAELI PEACE TREATY WAS TO BROADEN THE TALKS TO INCLUDE JORDAN AND REPRESENTATIVE PALESTINIANS. IN THE OVERALL PEACE PROCESS THAT WOULD PROBABLY REMAIN THE NEXT ESSENTIAL STEP. HOW TO CREATE THE FRAMEWORK WHERE THAT STEP WILL PROVE POSSIBLE FOR THE KING TO TAKE REMAINS TO BE SEEN.

Q: THE PEACE TALKS HAVE BEEN BROKEN OFF SINCE FEBRUARY OF 1982, THAT IS ABOUT TWO AND A HALF YEARS NOW. ARE WE TO CONCLUDE THAT THE AUTONOMY TALKS UNDER THE CAMP DAVID PROCESS ARE FINISHED? AND IF THEY ARE RESUMED, WILL HAVE TO RESUMED IN SOME DIFFERENT KIND OF FORUM?

A: WE HAVE SAID THAT WE CONSIDER THE AUTONOMY TALKS UNDER THAT FRAMEWORK AND WE STATED THAT TO THE EGYPTIANS AND PUBLICLY IN THE COURSE OF 1982 SO WE WOULD NOT EXPECT THAT AUTONOMY TALKS COULD GO FURTHER FORWARD WITH ONLY

THE PARTICIPATION OF ISRAEL, EGYPT AND OURSELVES.

Q: ARE THE EGYPTIANS OR THE ISRAELIS PUTTING CONDITIONS ON A RETURN TO THE PEACE TALKS AND IF SO WHAT ARE THE CONDITIONS?

A: THE EGYPTIANS DO NOT CONSIDER THAT THEY HAVE ANYTHING FURTHER TO NEGOTIATE, THAT THERE WOULD BE ANY POINT IN PUSHING NEGOTIATIONS FURTHER IN THAT FRAMEWORK. THE ISRAELIS HAVE PUT NO SUCH CONDITION, THEY WOULD LIKE TO SEE THEM RESUMED IF POSSIBLE WITH JORDAN AND THE REPRESENTATIVE PALESTINIAN.

Q: HAVE THEY SAID THE TALKS MUST TAKE PLACE IN JERUSALEM.

A: NO, THERE IS NO SUCH CONDITION THAT I AM AWARE OF, SIR.

Q: HAVE THE EGYPTIANS SAID THAT WE MUST HAVE OTHER ARAB GOVERNMENTS PRESENT?

A: YES. THEY HAVE SAID THAT THE FORMER MAKEUP WAS INSUFFICIENT TO CARRY THINGS FORWARD.

Q: AND THAT OTHER ARAB GOVERNMENTS HAD TO BE PRESENT?

A: YES.

Q: HAVE THEY SAID THAT THERE WILL BE NO TALKS TILL ISRAEL LEAVES LEBANON?

A: I DON'T BELIEVE THEY HAVE DRAWN THAT CONNECTION, MR. CHAIRMAN. THEY HAVE SAID THAT IN CONNECTION WITH THE RETURN OF THE EGYPTIAN AMBASSADOR TO TEL AVIV, AS YOU ARE AWARE.

Q: ON ISRAEL YOU HAVE MADE AN ATTEMPT TO BE NEUTRAL

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AND...PROBABLY LIKE EVERYBODY ELSE...BECAUSE NOBODY KNOWS WHERE IT IS GOING EXACTLY, DO YOU EXPECT ANY MAJOR SHIFT IN POLICY BASED ON WHAT IT KNOW LOOKS LIKE, THAT OBVIOUSLY THE COALITION GROUPS ARE GOING TO BE ABLE TO SOME DEGREE TO CONTROL WHAT HAPPENS WITH THE MAJOR PARTIES? IT WAS AN INTERESTING ELECTION, THEY GAVE AN ELECTION THAT NOBODY WON. IS THERE GOING TO BE ANY CHANGE IN POLICY?

A: I DON'T THINK I SHOULD GO INTO ANY SPECULATION ON THAT. I THINK ISRAELIS ARE UNITED ON A NUMBER OF POLICIES INTERMS OF SECURITY, IN TERMS OF THE ROLE THEY

WANT ISRAEL TO HAVE IN THE REGION AND IN THE WORLD. JUST WHAT THE SPECIFIC IMPLICATIONS ARE GOING TO BE FOR THE PEACE PROCESS -- I DON'T THINK IT IS PROFITABLE TO SPECULATE AT THIS POINT. EVEN NOW THERE ARE VARIOUS LEADERS OF THE SMALLER PARTIES COMING FORWARD TO SAY THEY WOULD SUPPORT THIS OR THAT MAJOR PARTY. IT IS TOO CONFUSED TODAY.

Q: ONE FINAL QUESTION. ON PAGE EIGHT (OF THE PREPARED TESTIMONY) YOU TALKED ABOUT JORDAN'S MAINTAINING A CONTINUING INTEREST IN SEEKING A POLITICAL SOLUTION TO THE CONFLICT WITH ISRAEL. CAN YOU EXPAND ON THAT A LITTLE AND TELL ME WHAT DISCUSSIONS YOU MAY HAVE HAD WITH THE REPRESENTATIVES FROM JORDAN IN THE LAST FEW WEEKS, ON WHICH YOU BASE THAT STATEMENT AFTER THE RATHER UNFORTUNATE STATEMENTS THAT THE KING MADE ABOUT TWO MONTHS AGO. AND IF IN FACT THEY ARE INTERESTED IN SEEKING POLITICAL SOLUTIONS TO THE CONFLICT HAVE THEY TALKED TO ISRAEL ABOUT IT AS FAR AS WE KNOW? OR ARE THEY INTERESTED IN TALKING TO OTHER PEOPLE BUT NOT TO ISRAEL?

A: TO ANSWER YOUR LAST QUESTION I DON'T THINK THERE HAVE BEEN ANY TALKS WITH ISRAEL, NO. WE HAVE CONSISTENTLY FOUND IN AMMAN THAT THE KING AND HIS ADVISORS ARE LOOKING FOR A WAY TO MOVE TOWARDS PEACE.

Q: HAVE YOU SUGGESTED TELEPHONES. ALL THE NUMBERS IN JERUSALEM AND TEL AVIV ARE ALL LISTED. ALL THEY HAVE TO DO IS PICK UP A PHONE.

A: UNDERSTOOD. IT SEEMS EASY. I WISH IT WERE.

Q: SO DO WE. SERIOUSLY ARE THERE ANY INDICATIONS YOU HAVE GOTTEN FROM CONVERSATIONS THAT THEY STILL INTERESTED IN MAINTAINING SOME KIND OF DIRECT PROCESS.

A: YES BUT THEY DON'T KNOW HOW TO GET INTO IT. YOU REMEMBER LAST YEAR, APRIL 1983, I THINK THERE WERE FOUR FACTORS THAT KEPT THE KING FROM MOVING AT THAT TIME. ONE, THERE WAS NO AGREEMENT WITH THE PLO, THERE WAS NO CERTAINTY THAT HE WOULD NOT BE CUT OFF AT THE PASS FINANCIALLY BY HIS BENEFACTORS ELSEWHERE IN THE ARAB WORLD.

Q: ONE OF THEM BEING SAUDI ARABIA?

A: YES. THERE WAS NO PROSPECT AS HE SAW IT OF A DEAL WITH THE THEN GOVERNMENT OF ISRAEL. THE WAY THEY DESCRIBED THEIR POLICY. AND HE WASN'T SURE ABOUT OUR

CONSTANCY, ABOUT OUR EFFORT THAT WE WOULD PUT INTO THE PEACE PROCESS. SO ALL OF THOSE FOUR LED TO A BREAKDOWN WHICH STARTED WITH THE INABILITY OF THE PLO TO GIVE HIM THE BLESSING, IF YOU WILL, TO GET INTO THE PROCESS.

Q: DID SYRIA AID THAT BY BASICALLY REIGNING IN ARAFAT

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WITH THREATS OR SOME OTHER KIND OF LEVERAGE THAT IT MAY HAVE EXERCISED OVER HIM? YOU DON'T BELIEVE THAT WAS A DECISION MADE BY ARAFAT ALONE DO YOU?

A: I THINK THE FACTS ARE THAT ARAFAT INITIALED OR HAD WORKED OUT SOME SORT OF DRAFT WITH THE KING. THEY WENT OFF TO KUWAIT, HE AND HIS LIEUTENANTS AND THE DECISION WAS NO.

Q: I DON'T WANT TO BELABOR THE POINT MR. MURPHY, BUT, AND I HOPE YOU ACCEPT IT IN THE SPIRIT IN WHICH IT IS OFFERED, BUT THAT COMMENT ABOUT THE HELPFUL PLAYER FOR SYRIA, SO CLOSE IN PROXIMITY TO A TIME WHEN AMERICAN FAMILIES STILL GRIEVING A LOSS, THE DEATHS OF THEIR OWN SONS, WITH SYRIA AT LEAST HAVING BEEN COMPLACENT IN THEIR MURDERS, REALLY IS INAPPROPRIATE AND I HOPE YOU WILL ACCEPT THAT FOR THOSE ON YOUR OWN STAFF IN THE STATE DEPARTMENT WHO WROTE THAT. I THINK IT WAS A VERY UNFORTUNATE CHOICE OF WORDS. I KNOW THE POINT HAS BEEN MADE.

NOW THAT THIS CONGRESSIONAL AND PRESIDENTIAL TERM IS COMING TO AN END I WONDER WHETHER AT THIS POINT WE CAN SAY THAT THE SEPTEMBER 1982 INITIATIVE, IS THAT FINAL STATEMENT OF THE ADMINISTRATION STILL ON THE TABLE? STILL THE OPERATIVE POLICY OF THIS ADMINISTRATION?

A: YES. IT IS AND WE HAVE SEEN NO BETTER SET OF IDEAS TABLED SINCE IT WAS PRESENTED IN SEPTEMBER 1982.

(JPMG RELATED QUESTIONS)

Q: ARE WE ABOUT TO ANNOUNCE A BILATERAL DEFENSE PACT WITH ISRAEL?

A: NO SIR, THERE IS NO SUCH PLAN AND NO SUCH STUDY IS UNDERWAY.

Q: THERE HAVE BEEN SUCH REPORTS IN THE ISRAELI PRESS.

A: I AM AWARE OF THEM. I CAN DENY THEM.

Q: IF THERE WERE SUCH PACTS CONTEMPLATED YOU WOULD BE IN TOUCH WITH US WOULD YOU NOT, IN THE CONGRESS AND THIS COMMITTEE?

A: YES SIR.

Q: ARE THERE TALKS BETWEEN THE UNITED STATES AND ISRAEL NOW FOCUSING ON HOW TO COUNTER THE SOVIET UNION IN THE REGION?

A: YOU ARE REFERRING TO THE TALKS UNDER THE JOINT POLITICAL MILITARY GROUP, MR. CHAIRMAN?

Q: YES.

A: THOSE TALKS WHICH HAVE GONE THROUGH NOW TWO ROUNDS, ONE IN JANUARY AND ONE IN JUNE, THE FIRST IN WASHINGTON, THE SECOND IN ISRAEL, HAVE BEEN CARRYING OUT WHAT THE PRESIDENT ANNOUNCED LAST NOVEMBER WHEN HE DESCRIBED THE CREATION OF THE GROUP WHICH IS TO STUDY POSSIBLE WAYS OF COOPERATION IN OUR MUTUAL SECURITY INTEREST, GIVING PRIORITY ATTENTION TO THE THREAT POSED BY INCREASED ACTIVITY IN THE MIDDLE EAST REGION.

Q: WHAT SOVIET THREATS ARE WE CONCERNED ABOUT IN THE REGION?

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A: WE ARE CONCERNED ABOUT THE INFLUENCE GAINED BY THE SOVIET UNION BY ITS MAJOR ARMS SUPPLIES,...

Q: OVER SYRIA?

A: OVER SYRIA, TO SYRIA, IN ONE INSTANCE,... THEY HAVE, YOU KNOW A MAJOR SUPPLY ALSO TO IRAQ. THEY ARE....

Q: IN KUWAIT NOW?

A: KUWAIT HAS OVER THE YEARS BEEN DIVIDING ITS PURCHASES BETWEEN THE SOVIETS, THE FRENCH, THE BRITISH AND OURSELVES. THERE HAS BEEN THIS RECENT VISIT TO MOSCOW OF THE DEFENSE MINISTER. WE DON'T HAVE THE SPECIFICS ON WHAT WAS AGREED THERE, BUT I DON'T THINK THAT IS GOING TO BE ANY MAJOR SWITCH IN KUWAITI POLICY.

Q: ARE WE NOW INVOLVED WITH ISRAEL IN CONTINGENCY PLANNING?

A: WE, AS ANNOUNCED, TALKED OF CONTINGENCY PLANNING, POSSIBLE JOINT EXERCISES AND STUDY OF MEANS AND DESIRABILITY OF PREPOSITIONING EQUIPMENT IN ISRAEL.

Q: THOSE TALKS ARE GOING FORWARD NOW?

A: THOSE TALKS ARE GOING FORWARD. FORMAL SESSIONS WERE IN JANUARY AND LATE JUNE, AND ANOTHER SESSION IS SCHEDULED FOR DECEMBER.

Q: BUT NO SPECIFIC AGREEMENTS AT THIS POINT?

A: AS MUTUALLY AGREED WITH THE GOVERNMENT OF ISRAEL WE ARE NOT GETTING INTO THE SPECIFICS, THE SUBSTANCE OF THOSE DISCUSSIONS, BUT THAT IS THE BROAD OUTLINE OF THE AREAS ON WHICH WE HOLD OUR DISCUSSIONS.

Q: THE ONLY AGREEMENT THAT HAS BEEN REACHED IS WITH RESPECT TO MEDICAL PLANNING?

A: THERE HAS BEEN A MEDICAL EXERCISE IN FACT, I BELIEVE IN LATE MAY/EARLY JUNE.

Q: ON THE PRESS REPORTS OF U.S. - ISRAELI MILITARY PLANNING CONCERNED WITH SOVIET ACTIVITIES, POSSIBLY JOINT ACTIONS, OR PLANNING AT A MINIMUM, THAT WE HAVE BEEN READING ABOUT IN THE PRESS, ARE YOU PREPARED TO SAY THAT IT IS IN FACT ACCURATE, THAT WHAT PLANNING IS TAKING PLACE IS DESIGNED TO COUNTER POSSIBLE SOVIET MOVES?

A: THAT WAS THE INTENTION AND SO DEFINED BY THE PRESIDENT LAST LAST NOVEMBER WHEN THE JOINT GROUP WAS ESTABLISHED.

Q: THAT IS IN FACT WHAT THE DISCUSSIONS HAVE BEEN ABOUT?

A: IT IS BY MUTUAL AGREEMENT WITH ISRAEL THAT WE DO NOT DISCUSS THE SUBSTANCE OF THE NEGOTIATIONS AND THE DISCUSSIONS UNDERWAY. BUT THAT IS OUR PRIMARY INTEREST.

(ISRAELI ECONOMY)

Q: HOW SERIOUS DO WE JUDGE THE ECONOMIC SITUATION IN ISRAEL RIGHT NOW TO BE...IF THERE IS NOT A STRONG GOVERNMENT TO TAKE ACTION...DO WE ANTICIPATE ANYTHING LIKE AN ECONOMIC COLLAPSE?

A: I DON'T WANT TO OVERDAMATIZE IT AS IN TERMS OF

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DISASTER OR COLLAPSE. BUT THE FACTS ARE THAT IN THE LAST YEAR INFLATION HAS GONE FROM TWO HUNDRED TO FOUR HUNDRED PERCENT PER ANNUM. NOW THE ISRAELI CITIZEN, LARGELY DOESN'T FEEL IT BECAUSE OF INDEXATION AS YOU KNOW, BUT

THE PROBLEMS -- HIGH INFLATION, SLACK INVESTMENT, WANING INTERNATIONAL COMPETITIVENESS AND CONSEQUENT BALANCE OF PAYMENTS DIFFICULTIES -- THEY ARE ALL THERE AND DESPITE THE MEASURES THAT THE GOVERNMENT HAS TAKEN IN THE LAST FEW YEARS TO RESPOND TO THE PROBLEMS, THE MEASURES HAVE BEEN INSUFFICIENT AND IT IS GETTING WORSE. WILL IT ONE DAY, IN A BRIEF PERIOD OF TIME, GO INTO HYPERINFLATION, COULD IT ZOOM OFF...HURWITZ MADE A GLOOMY PREDICTION THAT IT COULD HIT A THOUSAND PERCENT AS EARLY AS SEPTEMBER.... NOW THAT IS THE VISION THAT SOME ISRAELIS ARE SPEAKING OF. SO IT IS A SERIOUS SITUATION. THERE IS A SERIOUS MANAGEMENT SITUATION. PROFITABILITY IS DOWN, REAL WAGES HAVE WAY OUTSTRIPPED PRODUCTIVITY RISES, ALL OF THOSE FACTORS HAVE BEEN AT WORK AND IT HAS GOT TO BE DEALT WITH. IT IS GOING TO BE VERY PAINFUL AND DIFFICULT.

Q: IS THE U.S.-ISRAELI DIALOGUE ON ECONOMIC ISSUES CONTINUING?

A: IT IS, VERY MUCH SO. BOTH GOVERNMENTAL AND USING A PRIVATE GROUP OF AMERICAN ECONOMISTS TO TRY TO THINK THROUGH SOME OF THE PROBLEMS.

Q: IS ANY CONSIDERATION BEING GIVEN AT THE PRESENT TIME TO A FURTHER OR SUPPLEMENTAL ECONOMIC ASSISTANCE PROGRAM FOR ISRAEL?

A: NO, NOT AT THE MOMENT.

Q: IS THE UNITED STATES CONSIDERING THE IMPLICATIONS OF THE DOLLARIZATION OF THE SHEKEL?

A: IT WAS AN INTERESTING IDEA IS ALL I CAN SAY. IT GOT SHOT DOWN IN ISRAEL FOR POLITICAL REASONS LAST FALL.

(MISCELLANEOUS ON ISRAEL)

Q: A TRIAL IS NOW GOING ON IN ISRAEL AGAINST SOME ISRAELIS INVOLVED ATTACKS ON PALESTINIANS. ARE ANY OF THOSE ISRAELIS HOLDERS OF AMERICAN PASSPORTS?

A: I WILL HAVE TO CHECK THAT.

Q: HAS OUR CONSULATE IN JERUSALEM BEEN INVOLVED IN ANY WAY IN PROVIDING TO AMERICANS IN JAIL?

A: THAT IS ONE OF ITS BASIC JOBS. TO STAY IN CONTACT WITH OUR CITIZENS IN JAIL.

Q: BUT NONE OF THEM ARE INVOLVED IN THE ATTACKS ON THE PALESTINIANS?

A: AGAIN YOU CATCH ME UNPREPARED. I WILL SUBMIT THAT.

Q: THERE ARE SOME REPORTS THAT ISRAEL HAS ASKED THE UNITED STATES TO TAKE BACK SOME STATELESS BLACK AMERICANS WHO RENOUNCED THEIR U.S. CITIZENSHIP AS PART OF THEIR MEMBERSHIP IN THE BLACK HEBREWS CULT. HAVE ANY OF THE MEMBERS OF THAT GROUP BEEN READMITTED INTO THE U.S.?

A: I DO NOT BELIEVE THAT ANY OF THEM HAVE AS YET RETURNED TO THE U.S., BUT THERE IS A PROCEDURE FOR THEM TO FOLLOW IF THEY WANT TO RECLAIM CITIZENSHIP.

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Q: DO WE HAVE A POSITION ON THEIR RETURN TO THE U.S.?

A: LET ME CHECK. I AM SURE THAT IF THEY MEET REQUIREMENTS FOR ASSUMING CITIZENSHIP....I DON'T BELIEVE THEY COULD GO ONTO THE WAITING LIST AS INTENDING IMMIGRANTS, BUT AGAIN I WOULD LIKE TO CLARIFY THAT FOR THE RECORD.

Q: IS THERE ANY EVIDENCE THAT THE ISRAELI GOVERNMENT WAS INVOLVED IN THE RECENT NIGERIAN KIDNAPPING CASE IN LONDON?

A: NONE THAT I AM AWARE OF.

Q: HAVE WE ASKED THE ISRAELIS ABOUT THAT?

A: I DON'T KNOW IF THERE HAS BEEN A DIRECT QUESTION, BUT IT HAS THE EARMARKS OF A FREELANCE OPERATION.

Q: IN RECENT DAYS ISRAEL HAS TAKEN SOME ACTIONS AND I AM WONDERING IF WE HAVE MADE ANY COMMENT ABOUT THEM. ONE WAS THE GROUND BREAKING ON FIVE NEW SETTLEMENTS BEFORE THE ELECTION. DO WE OBJECT TO THOSE?

A: I DON'T BELIEVE THERE WAS A SPECIFIC COMMENT MADE HERE OR THERE ABOUT THOSE FIVE SETTLEMENTS, BUT OUR POLICY ON SETTLEMENTS IS UNMISTAKABLY CLEAR AND HAS BEEN RESTATED MANY MANY TIMES.

Q: BUT WHEN A NEW ONE IS DONE WE DON'T NECESSARILY OBJECT TO THAT?

A: I DON'T THINK IN EACH CASE, NO.

Q: THE ISRAELIS PREVENTED A PALESTINIAN JOURNALIST FROM THE WEST BANK FROM COMING TO THE U.S. FOR THE POLITICAL CONVENTIONS. DID WE SAY ANYTHING ABOUT THAT?

A: YES WE HAVE. THEY HAVE SAID THEY WERE NOT GOING TO GIVE HIM PERMISSION TO TRAVEL BECAUSE HE WAS A KNOWN PLO SUPPORTER. WE HAVE SEEN NO EVIDENCE TO THAT EFFECT AND WE ARE CONTINUING TO FOLLOW THAT UP WITH THE ISRAELI AUTHORITIES.

(SYRIAN LEADERSHIP)

Q: COULD YOU GIVE US YOUR ASSESSMENT OF THE SITUATION IN SYRIA IN TERMS OF PRESIDENT ASSAD'S HEALTH, HIS PROSPECTS FOR SURVIVAL AND POLITICALLY WHAT APPEARS TO BE HAPPENING IN RESPECT TO WHAT SEEMS TO BE JOCKEYING FOR POSITION IN WHAT WOULD BE A POST ASSAD SYRIA -- HIS BROTHER AND OTHER ELEMENTS.

Q: I THINK THE JOCKEYING HAS CLEARLY SLOWED DOWN. HE IS IN CONTROL, HE IS BACK AT THE DESK AND HE IS RUNNING SYRIA. BUT THERE ARE PROBABLY ARE TENSIONS UNDER THE SURFACE THERE AND CONCERNS ABOUT SUCCESSION. HE MOVED BACK INTO HARNESS PRETTY FULLY TWO AND HALF TO THREE MONTHS AFTER THE ORIGINAL ILLNESS.

BEIRUT MINIMIZE CONSIDERED. SHULTZ
END OF MESSAGE UNCLASSIFIED

UNCLASSIFIED